

**REMARKS**

This patent application currently includes claims 1-34, all of which stand rejected. The Description, claim 22, and the abstract are amended to overcome objections, the claims are amended to define the applicant's invention more clearly, and all rejections are respectfully traversed.

The Abstract was objected to, owing to the presence of language such as "such as" and "for example", which the examiner contended to be improper. Without concurring in the examiner's objection, the undersigned has amended the abstract in order to avoid this is an issue. It is believed that the language which the examiner found objectionable is no longer present in the Abstract. Accordingly, this objection should now be withdrawn.

The Description was objected to, owing to the presence of numerous informalities alleged by the examiner. In each instance, the description has been amended as suggested by the examiner. Accordingly, this objection should now be withdrawn.

Claim 22 was objected to, owing to a duplicate recitation of "the password is a first password." The claim has now been amended to delete the second recitation of the quoted subject matter. Accordingly, this objection should now be withdrawn.

Claims 1-44 were rejected under 35 USC §101 as directed to non-statutory subject matter. The examiner asserts that the method claims do not claim a technological basis in the preamble or the body of the claim and that they may be interpreted as involving no more than a manipulation of an abstract idea. This rejection is respectfully traversed.

The examiner cites absolutely no authority in support of his holding. He justifies it only by referring to the "content and reasoning" of an unpublished, non-precedential opinion of the Board (*Ex parte Bowman*, 61USPQ 2d 1669, 1671 (Bd. Pat. App. & Inter. 2001)). This is hardly meaningful support for the

examiner's position, particularly since the Supreme Court has construed §101 broadly, noting that Congress intended statutory subject matter to "include anything under the sun that is made by man" (*Diamond v. Chakrabarty*, 447 U.S. 303, 309, 206 USPQ193, (1980)), and the Court of Appeals for the Federal Circuit has cited specifically to this holding (see *AT & T Corp. v. Excel Communications Inc.*, 172 F.3d 13 52, 1355; 50USPQ2d 1447, 1449-50 (Fed. Cir. 1999)).

Moreover, it has come to the attention of the undersigned that similar rejections including almost exactly the same language have been received from this Group Art Unit in other patent applications. It would therefore appear that there has been some mid-level management decision at the USPTO to interpret 35 USC§101 in a manner which is inconsistent, indeed contrary to, well-established precedent. One would think that the USPTO would consider itself bound by the precedents of the Supreme Court and the CAFC in interpreting the Patent Act. What's more, such an unannounced, surreptitious misinterpretation of the patent law, without the official support of the USPTO is a breach of the trust invested in the USPTO by the public. The USPTO has an obligation to the public to protect the rights of inventors contemplated by Article I, section 8 of the Constitution; a right considered important enough to be included in the original articles. Those who are hurt the most by such a breach of trust are the independent inventors and small businesses who do not have the resources to challenge such outrageous conduct.

So, this will be one more instance in which the USPTO's conduct will go unchallenged. Hopefully, some patentee with adequate resources and motivation will take on this challenge in the near future.

In the present instance, the examiner's position is wrong on a factual basis. Although the method is described in terms

of its being used in a computerized environment, since on a large scale the steps of the method could only be performed in a computerized environment, there are potential applications which would not require the use of a full-fledged computer system. For example, the property limitation could be encoded directly on a card, and it would only require a card reader to put the method into effect. However, a card reader is also a technical solution.

Thus, although the applicant has amended the claims, under protest, in order to avoid a protracted and expensive procedure, it should be understood that the term "computer" as used in the claims is not intended to be limited to complex computer systems, but is also intended to include very fundamental types of computing equipment, such as card readers.

Claims 1-34 were rejected as obvious over WO 99/28850 (White) in view of Blagg U.S. published patent application number US 2002/0198806 (Blagg). This rejection is respectfully traversed. Neither reference nor that combination renders the present claims obvious.

MPEP §2142 provides, in relevant part, that:

The examiner bears the initial burden of factually supporting any *prima facie* conclusion of obviousness. If the examiner does not produce a *prima facie* case, the applicant is under no obligation to submit evidence of nonobviousness.

"To support the conclusion that the claimed invention is directed to obvious subject matter, either the references must expressly or impliedly suggest the claimed invention or the examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references." *Ex parte*

*Clapp*, 227 USPQ 972, 973 (Bd. Pat. App. & Inter. 1985). In the present instance, the examiner has demonstrated neither and, therefore, has not met the burden of establishing a *prima facie* a case of obviousness.

In those instances in which the examiner has provided any explanation, he has cursorily stated that the specific feature is disclosed by a reference, without explaining where. Furthermore, he has not made a slightest effort to demonstrate how the combination of references would lead to the claimed invention.

Regarding claim 1, it is noted that the method of the claim limits delivery of the purchase to the specified property. The examiner admits that "White does not disclose limiting the delivery of the purchase to the specified property" (page 7, line 11 of the office action). The examiner asserts at page 9, line 5 of the office action that Blagg teaches limiting delivery of the purchase for the specified property. However, there is not the slightest suggestion of such a feature in Blagg and certainly not in any of the passages cited by the examiner. Thus, the examiner has absolutely no basis for asserting that there is a prior art teaching of limiting delivery of a purchase to the specified property. Claim 1 and all claims dependent from it (claims 2-5) are therefore allowable.

In accordance with claim 6, the purchase is conditioned upon the card holder presenting the vehicle for inspection and/or verification by the merchant. At most, the cited references disclose that a charge card be secured by some property. There is not the slightest suggestion that any particular purchase be conditioned upon the card holder presenting the secured property to the merchant for inspection or verification. Accordingly, claim 6 and all claims dependent from it (claims 7-10) are allowable.

Similarly, claim 7 contemplates verification of the possessory authority by the card there over the associated property as a precondition for the transaction. In this case, the claim also recites establishing possessory authority by the card bearer over the specified property as a prior step. There are therefore two different instances in which possessory authority is established. As shown above, there not the slightest suggestion in the prior art that possessory authority be established as a precondition to a particular transaction. Establishing such authority when first creating a security interest is far from the same thing. Accordingly, claims 17 and all claims dependent from it (claims 18- 28) are allowable.

In accordance with claim 11, the Property Linked-Credit Card is free of any identification information related to an individual. This is discussed specifically at page 2, lines 5-7, and the benefits of this feature are discussed at pages 2-3. There is not the slightest suggestion in the art of record that that the card be associated with property and not an individual, or that this could be of any benefit. Accordingly, claim 11 and all claims dependent from it (claims 12-16) are allowable.

Similarly, claims 29 and 30 specifically provide that the Property Linked-Credit Card is free of any information associated with an individual. These claims and those claims dependent from claim 30 (claims 31-34) are therefore allowable for the same reasons as claim 11.

As it is believed that all of the rejections set forth in the Official Action have been fully met, favorable reconsideration and allowance are earnestly solicited.

If, however, for any reason the Examiner does not believe that such action can be taken at this time, it is respectfully requested that he/she telephone applicant's

attorney at (908) 654-5000 in order to overcome any additional objections which he might have.

If there are any additional charges in connection with this requested amendment, the Examiner is authorized to charge Deposit Account No. 12-1095 therefor.

Dated:

Respectfully submitted,

By 

Joseph B. Lerch

Registration No.: 26,936

LERNER, DAVID, LITTENBERG,

KRUMHOLZ & MENTLIK, LLP

600 South Avenue West

Westfield, New Jersey 07090

(908) 654-5000

Attorney for Applicant